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Programme budget for the biennium 2006-2007

Proposed programme budget for the biennium 2008-2009

Supplementary agreement between the United Nations and the Carnegie Foundation concerning the use of the Peace Palace at The Hague

Ninth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2008-2009

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the supplementary agreement between the United Nations and the Carnegie Foundation for the use of the Peace Palace by the International Court of Justice, at The Hague (A/62/496). The report of the Secretary-General proposes amendments to the supplementary agreement which are submitted for the approval of the General Assembly.

2. As explained in paragraph 6 of the report, the proposed amendment to article II of the supplementary agreement, which establishes the annual contribution payable by the United Nations to the Carnegie Foundation for premises occupied by the Court in the Peace Palace, is based on the recently concluded negotiations between the two organizations. As a result thereof, the annual contribution of the United Nations to the Carnegie Foundation for premises occupied by the Court in the Peace Palace would be fixed at €1,152,218 net, i.e., a 13 per cent increase over the 2005 annual contribution.

3. The proposed change in the contribution reflects an increase in the cost of security operations, cleaning and utilities, compared to the inflation adjustments that have been applied to the annual contribution since its revision in 1997. The base amount will continue to be subject to annual increases relating only to inflation, and will be reviewed after a period of five years from the date of commencement (ibid., para. 7).

4. The proposed amendments to article IV of the supplementary agreement are outlined in paragraph 8 of the report. The Committee was informed that the

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proposed amendments would define clearly the allocation of space occupied by the International Court of Justice, as well as procedures for modification of such space.

5. The Committee notes that, as part of the negotiations between the United Nations and the Carnegie Foundation, and given the lapse of time between the proposed date of the five-year review in 2002 to the conclusion of the negotiations, both parties agreed that the new agreement would take effect from 1 July 2006 (ibid., para. 10). **The Advisory Committee welcomes the agreement arrived at as a result of the negotiations between the United Nations and the Carnegie Foundation.**

6. Additional requirements amounting to $251,200 for the biennium 2006-2007 would result from the revised annual contribution from the United Nations to the Carnegie Foundation for the use of the Peace Palace by the International Court of Justice. They would be reflected in the second performance report for the programme budget for the biennium 2006-2007. With regard to the biennium 2008-2009, the Secretary-General indicates that the financial implications arising from the amendments, estimated at $552,000, would be considered in the context of the recosting of the proposed programme budget for the biennium 2008-2009 prior to determination of the initial appropriations to be approved by the General Assembly in December 2007.

7. **The Advisory Committee recommends that the General Assembly approve the course of action proposed by the Secretary-General in paragraph 12 (a), (b) and (c) of his report (A/62/496).**